

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

(Mr. OSBORNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. WYNN) is recognized for 5 minutes.

(Mr. WYNN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### HONORING DON DEARMON ON THE OCCASION OF HIS RETIREMENT

Ms. ROYBAL-ALLARD. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. ROYBAL-ALLARD) is recognized for 5 minutes.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise to honor a friend and trusted adviser, Donald McCamie DeArmon, on the occasion of his retirement from a distinguished career of 28 years of public service in the United States House of Representatives.

□ 2015

Don began his service on Capitol Hill following his graduation from the University of North Carolina at Chapel Hill in 1977. During those 28 years, he worked for the Office of House Information Systems and six Members of Congress.

Congressmembers Bill Ketchum, BARBARA MIKULSKI, Les AuCoin, DAVID PRICE, Vic Fazio, and I all had the good fortune to know and work with him.

It was in 1999 that Don brought his wealth of experience and knowledge to my office, serving first as associate staff for appropriations and then as legislative director and currently as acting chief of staff.

Don is a team player who has mentored many junior coworkers. His political sense and institutional knowledge of the House and his familiarity with the legislative process have provided my office with wise counsel.

His many bipartisan and bicameral friendships built over years in the House have been invaluable to my work on the Committee on Appropriations. His knowledge of the numerous funding accounts has been key to my ability to serve my constituents better. In addition to his work on the Committee on Appropriations, Don has also been the lead staff person for my legislative health agenda. Through his stewardship, we have made progress in addressing the health crisis of underaged drinking and in reducing preventable birth defects through en-

hanced education of women on the importance of folic acid.

Don's commitment to public service and his love of politics reached its natural conclusion when he ran for a seat in the U.S. House of Representatives. There is no doubt that during his campaigns Maryland voters were enriched by Don's discussions of the critical issues facing our Nation.

Although his neighbors in Maryland were denied his direct representation, I can attest to the fact that his public service during the past 28 years has enriched their lives and the lives of many in our Nation.

Don is a man who has admirably met the difficult challenge of balancing the demanding world of public service with being an involved, loving father and husband. He and his wife, Ann, a teacher, have raised four successful and politically active children. Belle, 23, is an English major at the University of Maryland, College Park. McCamie, 21, will be graduating in December from the University of Pittsburgh. Alexandra, 17, is a freshman at Wagner College; and John, 13, is an 8th grader at West Frederick Middle School.

To Don and his family, I extend my deep appreciation and heartfelt congratulations on the momentous occasion of his retirement. We will miss him, his hard work, his wealth of knowledge of political history, and his wonderful anecdotes about his childhood in North Carolina, experiences on the Hill and life in Frederick, Maryland.

Mr. Speaker, I join the many friends and colleagues who have had the privilege of working with Don in wishing him happiness and success as he embarks on his new career in the private sector. Don's new work, advocating on behalf of institutions of health, clearly demonstrates his commitment to the true public servant's belief that the people's work is never done. Godspeed, Don DeArmon.

The SPEAKER pro tempore (Mr. POE). Under a previous order of the House, the gentleman from Pennsylvania (Mr. FITZPATRICK) is recognized for 5 minutes.

(Mr. FITZPATRICK of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### BROKEN PENSION SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, USA Today on the front of the business page has a major story: "Fundamentally broken" pension system in "crying need" of a fix: Even companies that play by the rules face shortfalls." It goes on to say that David Walker, the chief of Congress's nonpartisan Government Accountability Office, describes the

pension system as "fundamentally broken."

Mr. Speaker, workers who dedicate years of service to a company should be able to count on a decent retirement and a measure of economic security. Yet in this time when more and more companies are reducing or dropping their defined benefit pension plans and retiree health coverage, worker earned benefits are often not guaranteed. This Congress must step up with meaningful pension reform to help shore up pension plans and encourage companies to continue providing them.

Unfortunately, a bill authored by the gentleman from Ohio (Mr. BOEHNER), who chairs the committee here in the House, is not that needed legislation.

It pays lip service to pension reform for workers, but continues to protect big corporate interests and executives at the expense of workers. It is my sincere hope that this Congress will produce legislation that is truly needed by America and by America's workers. Private pension plans are supposed to be one leg of a three-legged stool of retirement security for all American workers, along with Social Security. However, we live in an era when personal savings are virtually nonexistent, and Social Security's future is menaced by the specter of Republican plans to privatize Social Security. Therefore, workers have to try even harder to shore up increasingly fragile private pension plans.

Unfortunately, the Republican leaders in this Congress want to pass legislation which would actually further destabilize and underfund private pension plans. How in the world can they defend that approach?

Doehler-Jarvis, a company in my district, several years ago was the victim of a takeover where they had to cancel retiree health benefits, and they just did it over one weekend. They never even told the workers they were going to do it. When they filed liquidation bankruptcy, they pushed their obligations onto the Pension Benefit Guaranty Corporation, which is going further and further into the red as I speak here this evening.

Though that was not a perfect solution, that was the only one that existed at that time. Recently, we have heard the announcement by Delphi, the largest U.S. automotive manufacturer, that they are going to declare bankruptcy; and that it is the largest filing of bankruptcy ever in the history of the automotive industry. It will have a significant impact on thousands and thousands of workers. And under the terms of their bankruptcy filing, Delphi is attempting to require its employees to take pay cuts as high as 63 percent and benefit cuts of up to 77 percent just, they say, to keep a few of their U.S. plants open.

The current Pension Benefit Guaranty Corporation has a several billion dollar shortfall already. How in the world are they going to be able to try to hold things together without that

fund being shored up, whether it is to help Delphi or anyone else. Frankly, this Congress should have legislation passed that would disallow the bankruptcy system to be used by companies to abdicate their pension and health responsibilities.

However, given the recent flood of companies that have experienced pension problems or breakdowns, the Pension Benefit Guaranty Corporation is no longer as fail-safe as it used to be. It had a \$23 billion deficit last year, and since the time of President Clinton has continued to fall from a position of surplus to greater and greater deficit. The chairman of the committee, Mr. BOEHNER, dubs his plan the Pension Protection Plan; but it does nothing to prevent runaway pension plan terminations, nothing to provide meaningful disclosure and transparency, or ensure fairness to workers, while rewarding corporate executives. And it does nothing to adequately protect the workers pension plans.

Mr. Speaker, true pension reform legislation would repeal special protections for executives where they can receive these so-called golden parachutes while employees suffer deep cuts in their promised benefits. And the bill currently authored here says if an employer does not fund its pension plan above 80 percent, then workers cannot receive any increases in benefits or take a lump sum at retirement. No similar restriction is placed on executives.

And as the amount of guaranteed benefit goes down, for example if the employer does not fund above 60 percent, the workers' plan must be frozen with no new benefits allowed.

Mr. Speaker, America can do better than this. We ought to deep six the Boehner bill and allow the workers of this country to be able to receive the deferred compensation that was part of the contract that they signed when they went to work for America's largest corporations.

[From the USA Today, Nov. 15, 2005]

**"FUNDAMENTALLY BROKEN" PENSION SYSTEM  
IN 'CRYING NEED' OF A FIX**  
(By Marilyn Adams)

WASHINGTON.—Most surviving American steelmakers long ago abandoned costly pensions plans. But AK Steel still covers most of its 7,500 workers with a plan that pays retirees a monthly benefit based on tenure and past wages—a coveted defined-benefit plan.

AK has never missed a benefit payment to a pensioner or a payment to fund the plan. That's a source of pride for the 105-year-old Middletown, Ohio, company.

Nonetheless, the assets of the AK pension plan fall \$1.3 billion short of meeting estimated future obligations. The plan's long-term survival isn't assured.

Much of the attention in the raging pension-reform debate in Congress and the executive branch focuses on big companies such as United Airlines and other corporate giants that have used Chapter 11 bankruptcy-court reorganization to dump defined-benefit pension plans on the already overburdened government insurer, the Pension Benefit Guaranty Corp. But it's also cases such as AK Steel—a relative corporate good guy that

has seen assets fall short of liabilities even while the company follows the rules—that have reformers fearing a possible financial catastrophe on the scale of the savings-and-loan meltdown 15 years ago.

David Walker, chief of Congress' non-partisan Government Accountability Office, describes the pension system as "fundamentally broken." He's frustrated that policymakers so far have been unable to solve a problem that's been documented over and over.

"There's a crying need," he says.

Business, Congress and the Bush administration agree that the U.S. system of private pensions is badly in need of fixing. What they haven't agreed on is how to fix it. Despite alarming statistics, years of studies and urgent calls for reform from advocates on all sides, Rep. John Boehner, R-Ohio, a sponsor of the pending House bill on pension reform, rates chances of passage by both houses of Congress this year as slim. Senate Majority Leader Bill Frist, R-Tenn., said Monday that the Senate bill might reach that chamber's floor by next week.

If Congress fails to act, "The problem will become much worse," said Bradley Belt, PBGC executive director. "To call upon taxpayers—most of whom don't have defined-benefit pensions—to pay for the benefits of those who do would be fundamentally unfair."

In total, defined-benefit pension plans offered by private employers are underfunded by \$450 billion, up from \$39 billion just five years ago. The PBGC itself has a deficit of at least \$23 billion. PBGC numbers coming out today are expected to paint an even bleaker picture: The high number of failed plans has left it without enough assets to cover future benefits. As more plans fail, the agency's deficit will grow.

In recent years, Huffy bicycles, Big Bear supermarkets, Polaroid, Kaiser Aluminum, Bethlehem Steel, WestPoint Stevens, Archibald Candy and United Airlines have terminated their plans and transferred responsibility for them to the PBGC. What worries PBGC officials now is how many other large companies are out there with ailing plans covering tens of thousands of workers.

The PBGC last year calculated that financially weak companies with a reasonable chance of terminating their pensions are \$96 billion short of covering promised benefits.

**GM A CONCERN**

The PBGC won't say whether General Motors, whose pension plan is the biggest in U.S. industry, is among them. But the PBGC estimates that if financially troubled GM had to terminate its plan soon, it would be underfunded by \$31 billion, an estimate first reported by The New York Times. Using a different accounting method, Credit Suisse First Boston estimates the underfunding at \$12.3 billion.

GM, whose plan covers 600,000 participants, disputes those figures but declined to provide its own estimate. It is not required by law to do so. "We don't think it's appropriate to view the pension plan on a termination basis," because GM has no plan to end it, said GM spokesman Jerry Dubrowski.

The U.S. Securities and Exchange Commission, meanwhile, is investigating how GM reports pension-plan liabilities in its financial statements as part of a broader look into the automaker's accounting.

PBGC director Belt fears the mounting pension crisis could approach the scope of the savings-and-loan debacle that pushed the Federal Savings and Loan Insurance Corp. into insolvency in 1989 and cost taxpayers \$200 billion.

If the PBGC, which is supported by insurance-premium payments from pension-plan

sponsors, were to sink too deeply into red ink, a giant taxpayer bailout might be the only way to keep millions of pensioners from losing their checks.

Stopgap pension relief for companies expires Dec. 31. Without comprehensive reform legislation this year, temporary rules will take effect that will increase the contributions companies must make to their plans as well as the insurance premiums they must pay the PBGC. U.S. Labor Secretary Elaine Chao says the price of doing nothing about reform will be "very bad" for plan sponsors.

The pension system in Corporate America is in trouble for many reasons, some within the control of Washington policymakers and some not.

Not the least of the problems is Americans' lengthening life spans. Retirees are living longer than ever and will draw pension checks longer than ever. The biggest generation in history, the baby boom, starts hitting 65 in 2011. Making things worse is that many pension plans let workers start drawing benefits after 30 years of work. For many retirees, that means benefits start in their 50s.

Another factor: Pension funds rely on assets that grow through investments in stocks and bonds. For five years, markets have produced lackluster returns.

**LOOPHOLES IN THE LAW**

But Congress can do nothing about demographics or investment returns. So reformers are focusing on loopholes in the law—and some companies' willingness to exploit them to avoid or reduce payments.

Private pensions are governed by the Employee Retirement Income Security Act, passed in 1974 after the collapse of automaker Studebaker a decade earlier, which left its retirees almost empty-handed.

The law established the PBGC insurance program, which covers benefits up to specific annual dollar limits—up to \$45,600 this year for someone retiring at 65—and requires companies to pay premiums. Over the years, changes have crept into the law designed to make it easier for firms to comply.

Among the issues that reform proposals address:

**PBGC premiums.** Almost everyone agrees that without higher premiums and stricter funding rules, pension problems will get worse. The Bush administration proposed \$30 per worker per year, up from \$19 now.

**Skipped payments.** Rules allow employers to skip plan payments by applying excess contributions from an earlier year as an offset to the minimum requirement for a later year—even if the plan is underfunded.

"The combination of rules allows companies to go for years on end without putting any money into their pension plans," says Belt.

**US Airways,** for example, made no contributions to its pilots' pension plan for years before it was terminated in 2003.

**Overpromising.** Employers with underfunded plans are allowed under current rules to sign labor contracts that promise union members larger benefits that the companies can't necessarily afford.

**Secrecy.** Every employer with a troubled plan is required to tell the PBGC each year how underfunded the plan would be if it had to be terminated. But the company is not required to tell the people directly affected: workers and pensioners. The PBGC is not allowed to tell.

**Inadequate funding.** PBGC's Belt says funding rules today simply don't ensure that pension plans are fully funded.

Most controversial is an administration proposal to penalize companies with poor credit ratings and underfunded plans by accelerating their plan payments. The thinking is that those companies are at higher

risk for pension default and should be required to do more to keep plans afloat.

#### 'SKY IS NOT FALLING'

Boehner, The Ohio congressman, says such tough medicine would "kill the patient" and prompt some employers to drop their plans.

AK Steel, for example, says its credit rating has been below investment grade for years, yet it has never missed a payment.

Business groups such as the National Association of Manufacturers acknowledged pension rules require tightening. But they question the administration's alarming projections and say companies with pension problems don't represent the majority.

"Our message is the pension sky is not falling," says NAM spokesman Darren McKinney. "The problem is not as big as some would have you believe."

He says the PBGC's statistics show only 15% of private defined-benefit plans were funded below 70% in 2002, the latest data available.

What seems to gall reformers most is the recent pattern of big companies using Chapter 11 of the bankruptcy code to jettison the debt of underfunded pension plans, then exit bankruptcy and survive. U.S. Airways did it, and United is in the process. Huff and Big Bear did the same in the bankruptcy court.

Now, reformers fear Delta Air Lines, Northwest Airlines and auto-parts maker Delphi, all of which filed Chapter 11 cases recently, will make the same argument to their bankruptcy-court judges.

"People are using the pension system and bankruptcy code as a business strategy," charges Walker of GAO.

#### AK STEEL FEELS PENALIZED

AK Steel agrees. It has seen plenty of competitors unload their plans. AK says its pension and retiree medical costs make its steel at least \$40 a ton more costly to produce than some of its competitors'.

"We are penalized because we didn't go bankrupt," says Vice President Alan McCoy.

So, AK has been going to its unions during contract talks, asking them to agree to freeze members' pension plans so benefits don't keep growing and so new employees aren't covered. Three unions, representing 20% of AK's unionized workforce, have agreed.

"They told us they needed that relief to stay competitive and stay out of bankruptcy," says Tim Imes, president of the United Steelworkers union in Ashland, KY, that represents AK workers there. Given pension-plan terminations at Bethlehem Steel, National Steel and elsewhere, the union knew "the monster was real."

AK officials say they still believe in good pensions but can't ignore their competition.

"We are disturbed that the bankruptcy system allows what has happened to happen," says McCoy. "We don't think that's right."

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BURGESS) is recognized for 5 minutes.

(Mr. BURGESS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### HONORING EDWARD R. ROYBAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. LEE) is recognized for 5 minutes.

Ms. LEE. Mr. Speaker, I rise this evening to recognize and honor and pay

tribute to the extraordinary life of Congressman Edward R. Roybal. Throughout his career, including 30 years in the United States Congress, Congressman Roybal championed the rights of the underprivileged and broke down barriers for social justice.

I would like to express my deepest sympathy to his family and his friends, especially to his devoted daughter, my colleague and friend, Congresswoman LUCILLE ROYBAL-ALLARD, and say with the passing of her father, we lost a great man, a man who stood up for his convictions, a man who stood up for what he believed, and one who stood up for those who needed a voice who did not have a voice in our country. He will be deeply missed.

Like many, I feel very blessed to have known Congressman Roybal personally. He lived his life and I always noticed how he did this: by his actions and by his words. He had principles. He had principles that guided each and every one of his actions, and I think all of us should really understand that those principles are absolutely necessary for us to fight for the rights and the well-being of all human beings, especially those who have been shut out of the American Dream.

His life was not only extraordinary; it was an example to follow for generations to come. Each one of us, I believe, has a duty to carry on the legacy of this great man. Our young people must get to know Congressman Roybal, for he made history taking on tough issues when they were not popular. What a role model he was.

Congressman Roybal not only cared about his own congressional district, which he did very deeply, but he also worked very hard to help communities throughout our country. As a member of my predecessor's, Ronald Dellums, staff, I vividly remember Congressman Roybal's unbelievable efforts to help bring a Federal building to downtown Oakland. Congressman Roybal and Congressman Dellums had a deep friendship and mutual respect for each other. As a result of their partnership, we have a beautiful Ronald V. Dellums Federal Building where my congressional office is presently located.

And in the Federal Building, we also have an Edward R. Roybal Auditorium. And each time I walk into this beautiful building, I am reminded of this great man and his magnificent spirit and his love for his country and for our district.

The 9th Congressional District of California, we owe Congressman Roybal a debt of gratitude; and we thank you and his family for really sharing this giant of a human being with us.

I have several personal and professional affiliations with Congressman Roybal. His son, Eddie, headed up a successful legal services center called Centro Legal De La Raza in Oakland, California. This center provides badly needed legal services to families otherwise unable to afford them.

Many years ago after leaving Ron's staff, Congressman Roybal called me

and he said, Barbara, please, you have to do this for me. I really want you to help us raise money for Centro Legal De La Raza.

Of course I was honored to receive this call from Congressman Roybal, and how could I say no. It was such a great honor to be able to work with him and his family to make sure that we raised the money for many years to provide these badly needed services.

His commitment to justice was unparalleled. His ability to use his clout for those without access to the halls of power, not for himself personally, but for all of those shut out, his love for human kind, his great spirit will be with me forever. He was such a gentleman, a kind human spirit. He was a respectful man, and many of us loved him so much.

So tonight, on behalf of the 9th Congressional District of California, we salute a great warrior; we thank him for a job well done. We also thank Congressman Roybal for a life well lived. In his memory, I think we should all rededicated ourselves to Congressman Edward R. Roybal's ideals and his vision for a better world.

Mr. Speaker, my thoughts and prayers are with you and your family, LUCILLE. May God bless you.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HUNTER) is recognized for 5 minutes.

(Mr. HUNTER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### RETHINKING THE IRAQ WAR

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, first, I need to say I did not know Congressman Edward Roybal; but if he did nothing more than bring his daughter, LUCILLE ROYBAL-ALLARD, into this world, he brought a gift to all of us. I honor him for that.

Mr. Speaker, I was struck by something that I heard the chairman of the Senate Intelligence Committee say over the weekend. Now that it is all too clear that the intelligence leading up to the Iraq war was deeply flawed, he was brave enough to say, "I think a